

To: Corman, Bicky[Corman.Bicky@epa.gov]
From: Morning Energy
Sent: Wed 1/22/2014 3:11:59 PM
Subject: POLITICO's Morning Energy, presented by Chevron: Green groups want judge to order EPA to finish ozone rule – Cape Wind hit with another lawsuit – KXL southern leg begins operations

By Alex Guillen

With help from Erica Martinson

GREEN GROUPS WANT JUDGE TO ORDER EPA TO FINISH OZONE RULE:

Environmental and public health groups want a federal judge to order EPA to move forward on the ozone rule the White House put on the backburner in 2011. The Sierra Club, American Lung Association and others yesterday asked the U.S. District Court for the Northern District of California to order EPA to sign a notice of proposed rulemaking by Dec. 1, 2014, and finalize the rule by Oct. 1, 2015. As a National Ambient Air Quality Standard, EPA should have finished its five-year review required by the Clean Air Act in March 2013, the groups said. "The scientific community, and even EPA itself, have recognized that the 2008 standards are inadequate to protect public health, and that revision of these standards is needed," the groups wrote in the court filing. EPA is in ongoing violation of the Clean Air Act by not promulgating a rule, the groups argue. Filing: <http://politico.pro/1hgdrDs>

We're working on it, EPA says: EPA spokeswoman Caroline Behringer said the agency is reviewing the motion and will respond by Feb. 25, the deadline set by the court. "The agency is continuing to work with its independent scientific advisors on the ongoing review of the ozone standard based on the extensive body of research that will inform EPA's decision. EPA is following its normal open and transparent review process that allows for extensive public comment," Behringer said. "As part of the agency's review, EPA has requested that its independent science advisors - the Clean Air Scientific Advisory Committee - schedule their next meeting related to the ongoing ozone NAAQS review in March 2014." The timeline gives the agency more time to work on new drafts of risk, exposure and policy assessments, she added.

SPEAKING OF EPA - PANEL WON'T REVIEW CCS ISSUE: EPA dodged a bullet yesterday when an advisory panel agreed not to further review the science underlying the agency's proposed greenhouse gas rule for future power plants. The Science Advisory Board agreed by voice vote to make only slight modifications to a report that will go with a letter to EPA Administrator Gina McCarthy representing the board's view that the proposed rule does not warrant further scientific review from the panel. The letter and report will inform McCarthy that the board accepts EPA's 'legal view that the rule focuses on carbon capture,' and that sequestration of carbon dioxide is an issue that relies on another regulatory mechanism, said Chairman David Allen.

CAPE WIND HIT WITH ANOTHER LAWSUIT: Cape Wind is facing yet another lawsuit - this time over the offshore wind project's power purchase agreement. Brought by the town of Barnstable, Mass., the Alliance to Protect Nantucket Sound and several businesses, the lawsuit alleges that Massachusetts regulators violated the Constitution's Commerce and Supremacy clauses by influencing a merger request so that the utility Nstar could buy Cape Wind's electricity

under certain terms. That action, the lawsuit says, discriminated against out-of-state businesses and overstepped the state's authority by regulating wholesale electricity sales. A Cape Wind spokesman tells WBUR that the lawsuit is 'frivolous' and said Cape Wind already fought off a similar challenge when the project's power was promised to National Grid. WBUR:

<http://bit.ly/KBemDJ>. Complaint: <http://politico.pro/1eR8T4w>

HAPPY WEDNESDAY and welcome to Morning Energy, where our electric kettle is working overtime to fuel this newsletter. Send your energy news to aguillen@politico.com, and follow on Twitter [@alexaguillen](#), [@Morning_Energy](#) and [@POLITICOPro](#).

KXL'S SOUTHERN LEG BEGINS OPERATIONS: TransCanada will start moving oil through the southern leg of Keystone XL, from Oklahoma to Texas refineries, today, even as the company awaits a decision on the pipeline segment crossing the Canadian border. But landowners opposed to Keystone aren't letting the start of operations pass them by, the Washington Post notes. "Texas landowners on Wednesday are launching a new oversight network - Texas Pipeline Watch - to ensure rapid detection of any leaks or other mishaps. They said they are worried about potential flaws in the pipeline, saying that the Pipeline and Hazardous Materials Safety Administration lacks adequate numbers of inspectors." WP: <http://wapo.st/1ilFXad>

Also in pipeline news: Koch Pipeline Co. is walking away from plans to build a 250,000-barrel-per-day line from the Bakken region to Illinois. The company didn't give a reason. Bloomberg: <http://bloom.bg/1aIaV7I>

W.VA. SPILL HAD SECOND CHEMICAL: Via the Charleston Gazette: "Federal and state investigators learned Tuesday that an additional chemical that wasn't previously identified was in the tank that leaked on Jan. 9 at the Freedom Industries tank farm just upstream from West Virginia American Water's regional drinking water intake. Company officials told investigators that the 'Crude MCHM' that spilled also contained a product called 'PPH,' according to the U.S. Chemical Safety Board. ... Horowitz said that, according to a material safety data sheet, or MSDS, provided by Freedom Industries, the additional product 'has low oral toxicity.'" More: <http://bit.ly/LCXblk>

McCARTHY TALKS CLIMATE IN DAVOS: EPA Administrator Gina McCarthy is in Davos, Switzerland, this week for the big World Economic Forum meeting, where a major focus from the U.S. delegation will be on climate change issues, the New York Times writes. "The forum will devote a full day to addressing the economic costs of climate change, and the costs to businesses and governments of solving the problem. Ms. McCarthy's address at the forum will focus specifically on President Obama's domestic climate change agenda. 'I want to make sure climate change is understood as fundamental economic decision going forward,' she said. 'This is not usually my crowd,' Ms. McCarthy added. 'This is going to be fun.'" NYT: <http://nyti.ms/1aovk4d>

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Today's Davos agenda includes forums titled 'The New Energy Context,' 'Decoding Climate Signals,' 'The Future of Extractives,' 'The Impact of a Warmer World,' 'Responding to Global Risks' and 'Safe Water for All.' In case you were wondering, yes, that session on water features Matt Damon.

VITTER'S EPW SPOT A BOON FOR CAMPAIGN: Sen. David Vitter has a potent weapon in his quest to become the next governor of Louisiana: the top Republican spot on the Senate Environment and Public Works Committee. Vitter is betting that his EPA attacks, as well as his criticism of President Barack Obama's oil and gas policies, will help him score points in Louisiana, where many voters are wary of the Obama administration. But on other issues in the committee's jurisdiction, Vitter has quietly cast himself as a deal-maker who can secure money for his state. Andrew Restuccia and Scott Wong have more: <http://politico.pro/1hg36Hz>

CONGRESS HAS TROUBLE WITH SMALL STUFF: Congress may have just passed a big bipartisan budget, but the Hill is having plenty of problems with smaller items that should make it through more easily. Exhibit A: The energy efficiency bill Sens. Jeanne Shaheen and Rob Portman have been trying to move for years, but was derailed last year following an amendment scuffle. Even a minor bill repealing an outdated Clean Air Act requirement that cleared the House with a 405-0 vote earlier this month may have a slow time getting through the Senate, given the chamber's paralysis and penchant for tacking on unrelated amendment votes. Darren Samuelsohn and David Nather have the story: <http://politico.pro/1ewAGIS>

ICED OUT: A media roundtable with Acting FERC Chair Cheryl LaFleur scheduled for this morning has been postponed by the snow - but that doesn't stop inquisitive minds. Send your suggestions for questions to ask once the event is rescheduled to Darius Dixon at ddixon@politico.com. He promises to read them right after he finishes sledding.

MAKING WAVES IN THE SOLAR WORLD: Mark Ferron, who stepped down last week from the California Public Utilities Commission to focus on tackling cancer, said in a parting note to the remaining commissioners that rooftop solar will need defending in the coming years. "We are fortunate to have utilities in California that are orders of magnitude more enlightened than their brethren in the coal loving states, although I suspect that they would still dearly like to strangle rooftop solar if they could," Ferron wrote in the note. He added that the PUC 'must be bold and forthright in defending and strengthening our state's commitment to clean and distributed energy generation.' San Francisco Chronicle: <http://bit.ly/LQ1omz>. Ferron's note: <http://bit.ly/1f5yDdN>

COMMERCE TO DECIDE ON SOLAR TARIFFS INVESTIGATION, ROUND 2: The Commerce Department will announce today whether it will investigate new trade complaints made by solar manufacturer SolarWorld against China and Taiwan. The trade dispute is a follow-up to tariffs issued in 2012 on crystalline silicon photovoltaic solar products. SolarWorld, which was also the lead company on the first case, wants Commerce to effectively plug a loophole in the original tariffs that exempts from duties by making solar cells in Taiwan but then assemble solar modules in China. If Commerce initiates an investigation, the results and any potential tariffs will likely until at least the end of the year.

AD WATCH - GREENS PUSH JEWELL ON MONUMENTS: Interior Secretary Sally Jewell will get a blast from the past today when she keynotes the Outdoor Industry Association's winter gathering in Salt Lake City. Environment America is sending a Teddy Roosevelt impersonator to the event and has taken an ad out in the Salt Lake Tribune (<http://politico.pro/1mq4RTt>) pressing Jewell and the administration to protect more land by designating new national monuments.

- Meeting our 26th president isn't a new thing for Jewell; environmental groups got a Teddy impersonator out to her appearance at the Western Governors Association meeting back in December.

QUICK HITS

- The Texas Railroad Commission was non-committal about responding to residents' complaints that nearby injection wells are causing small earthquakes. Star-Telegram: <http://bit.ly/1moYFLv>

- Germany's new energy minister says the rising costs of the country's shift to renewables could mean losing public support and hurting the country's industrial base. New York Times: <http://nyti.ms/1bUfwEU>

- BP wants a rehearing before the full Fifth Circuit Court of Appeals over its challenge to a lower court's approval of a spill settlement plan. AP: <http://bit.ly/LQmqRQ>

- The railroad company that went bankrupt after last year's Quebec crash that killed 47 people has been sold at auction. AP: <http://bit.ly/1jwamAC>

- A Halliburton supervisor gets a \$1,000 fine and 100 hours of community service after being convicted of destroying evidence regarding the 2010 BP spill. UPI: <http://bit.ly/1cSJhBI>

THAT'S ALL FOR ME. Stay safe.

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